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**興勝創建控股有限公司\***  
**HANISON CONSTRUCTION**  
**HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 00896)**



**香港興業國際集團有限公司\***  
**HKR International Limited**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 00480)**

## **JOINT ANNOUNCEMENT**

### **MAJOR TRANSACTION IN RELATION TO THE ACQUISITION**

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION**

#### **THE ACQUISITION**

Reference was made to the joint announcement dated 27 July 2015 regarding the MOU entered into by the Purchaser with the Vendors in relation to the possible acquisition of the Sale Shares for a consideration of HK\$998,000,000.

Hanison has been treated as a non-wholly owned subsidiary of HKRI starting from 1 April 2013 as a result of the application of HKFRS 10. While the Acquisition relates to a transaction entered into by the Purchaser, an indirect wholly owned subsidiary of Hanison which constitutes a notifiable transaction of Hanison under the Listing Rules, the Acquisition also constitutes a notifiable transaction of HKRI under the Listing Rules.

Accordingly, the boards of directors of Hanison and HKRI are pleased to announce that on 8 September 2015 (after the trading hours of the Stock Exchange), the Purchaser entered into the Sale and Purchase Agreement with the Vendors in relation to the Acquisition, superseding the MOU, pursuant to which (i) the Vendors conditionally agreed to sell the Sale Shares representing the entire issued share capital of the Target Company and to assign the Sale Loan; (ii) the Purchaser conditionally agreed to purchase the Sale Shares and to accept the assignment of the Sale Loan at the Purchase Price, being an initial consideration of HK\$993,304,000, representing HK\$998,000,000 adjusted by the amount of Net Current Asset Value of the Target Company as at 30 June 2015 (subject to adjustment, if any); and (iii) the Guarantor agreed to guarantee the performance of all the obligations of Vendor B under the Sale and Purchase Agreement and other documents referred to therein.

#### **LISTING RULES IMPLICATIONS**

Hanison is a non-wholly owned subsidiary of HKRI and hence the Purchaser is an indirect non-wholly owned subsidiary of HKRI (each as a result of the application of HKFRS 10). Therefore, the Acquisition constitutes a notifiable transaction of Hanison as well as a notifiable transaction of HKRI under the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) for the Acquisition exceeds 5% but is less than 25% for HKRI, the Acquisition constitutes a discloseable transaction of HKRI and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

As certain applicable percentage ratios (as defined in the Listing Rules) for the Acquisition exceed 25% but all are less than 100% for Hanison, the Acquisition constitutes a major transaction of Hanison and is subject to the announcement, reporting and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Hanison has obtained written approval for the Acquisition in accordance with Rule 14.44 of the Listing Rules from a closely allied group of shareholders comprising Great Wisdom Holdings Limited, HKRI and CCM Trust (Cayman) Limited, which are beneficially interested in 127,767,230, 135,027,776 and 103,482,593 shares of Hanison respectively, representing approximately an aggregate of 67.56% of the entire issued capital of Hanison as at the date of this joint announcement. Great Wisdom Holdings Limited is a wholly owned subsidiary of HKRI and HKRI is owned as to approximately 41.48% by CCM Trust (Cayman) Limited. Accordingly, Great Wisdom Holdings Limited, HKRI and CCM Trust (Cayman) Limited are a closely allied group of shareholders of Hanison.

To the best knowledge, information and belief of the directors of Hanison, after having made all reasonable enquiries, no shareholder of Hanison has any material interest in the Acquisition and is required to abstain from voting if Hanison were to convene an extraordinary general meeting for the approval of the Acquisition. As such, no extraordinary general meeting will be convened by Hanison for the purpose of approving the Acquisition as permitted under Rule 14.44 of the Listing Rules.

No circular will be issued in relation to the MOU (which has been superseded by the Sale and Purchase Agreement) but a circular containing, among other things, further details of the Acquisition will be despatched to the shareholders of Hanison on or before 25 September 2015.

**Completion is subject to the fulfilment (or where applicable, waiver) of the Conditions and therefore the Acquisition may or may not proceed. As such, shareholders and potential investors of Hanison and HKRI are advised to exercise caution when dealing in the shares of Hanison and HKRI.**

## INTRODUCTION

Reference was made to the joint announcement dated 27 July 2015 regarding the MOU entered into by the Purchaser with the Vendors in relation to the possible acquisition of the Sale Shares for a consideration of HK\$998,000,000.

The boards of directors of Hanison and HKRI are pleased to announce that on 8 September 2015 (after the trading hours of the Stock Exchange), the Purchaser entered into the Sale and Purchase Agreement with the Vendors in relation to the Acquisition, superseding the MOU.

## **SALE AND PURCHASE AGREEMENT**

The principal terms of the Sale and Purchase Agreement are summarised as follows:

### **Parties**

- (1) Vendor A : Mr Kong Tak Ho
- (2) Vendor B : Lai Tak Holdings Limited
- (3) Purchaser : Nimble Run Limited

To the best of the knowledge, information and belief of the directors of Hanison and HKRI, after having made all reasonable enquiries, each of the Vendors and the ultimate beneficial owner(s) of Vendor B are third parties independent of and not connected with Hanison, HKRI and their respective connected persons.

### **Subject Matter**

Pursuant to the Sale and Purchase Agreement, (i) the Vendors conditionally agreed to sell the Sale Shares representing the entire issued share capital of the Target Company and to assign the Sale Loan; (ii) the Purchaser conditionally agreed to purchase the Sale Shares and to accept the assignment of the Sale Loan; and (iii) the Guarantor agreed to guarantee the performance of all the obligations of Vendor B under the Sale and Purchase Agreement and other documents referred to therein.

The Target Company owns the entire interest in the Property known as “Park Building”, which is located at No. 476 Castle Peak Road, Cheung Sha Wan, Kowloon.

The parties shall not be obliged to complete the sale and purchase of any of the Sale Shares or the assignment of the Sale Loan unless the sale and purchase of all the Sale Shares and the assignment of the Sale Loan are completed simultaneously.

### **Purchase Price**

Subject to the Purchase Price Adjustments (as defined below), the purchase price for the Sale Shares and the Sale Loan (the “**Purchase Price**”) payable on Completion shall be an amount equivalent to the amount computed in accordance with the following (such computed amount shall be referred to as the “**Pre-Adjustment Purchase Price**”):

- (a) an amount equal to HK\$998,000,000; and
- (b) minus HK\$4,696,000, being the approximate amount of the Net Current Asset Value of the Target Company as set out in the Management Accounts.

The Sale Loan Consideration shall be an amount equal to the amount of the Sale Loan on the Completion Date on a dollar-for-dollar basis and the Sale Shares Consideration shall be an amount equal to the balance of the Purchase Price after deducting the amount of the Sale Loan Consideration.

The Purchase Price was paid and shall be paid in the following manner:

- (a) a sum of HK\$50,000,000 being the Initial Deposit has been paid by the Purchaser on 24 July 2015 to the Purchaser's solicitors as stakeholder upon signing of the MOU and the said amount has been transferred to the Vendors' solicitors upon the signing of the Sale and Purchase Agreement;
- (b) a sum of HK\$49,800,000 (which together with the Initial Deposit is equivalent to 10% of the said sum of HK\$998,000,000) being the Further Deposit and part payment of the Purchase Price has been paid to the Purchaser's solicitors as stakeholder upon the signing of the Sale and Purchase Agreement; and
- (c) a sum equal to the balance of the Pre-Adjustment Purchase Price after deducting the Deposits shall be paid by the Purchaser to the Vendors upon Completion in accordance with the terms of the Sale and Purchase Agreement.

The Purchase Price was determined based on arm's length negotiations between the Vendors and the Purchaser with reference to the sales and rental transactions in the market for similar properties in the vicinity. The Purchase Price will be settled partly by bank loans and partly from internal resources of Hanison.

#### **Adjustments to the Purchase Price**

The Purchase Price shall be subject to the following adjustments ("**Purchase Price Adjustments**") following agreement or determination of the Completion Accounts:

- (i) there shall be added to the Pre-Adjustment Purchase Price the amount (if any) by which the Net Current Asset Value (determined by reference to the Completion Accounts) is more than (i.e. less negative or more positive than) minus approximately HK\$4,696,000; and
- (ii) there shall be deducted from the Pre-Adjustment Purchase Price the amount (if any) by which the Net Current Asset Value (determined by reference to the Completion Accounts) is less than (i.e. more negative than) minus approximately HK\$4,696,000.

Within 5 business days after agreement or determination of the Completion Accounts in accordance with the terms of the Sale and Purchase Agreement:

- (i) if the Pre-Adjustment Purchase Price is increased following the Purchase Price Adjustments, the Purchaser shall pay to the Vendors' solicitors the amount of the increase; and
- (ii) if the Pre-Adjustment Purchase Price is reduced following the Purchase Price Adjustments, the Vendors shall pay to the Purchaser the amount of the reduction.

#### **Conditions**

Completion is conditional upon the following Conditions being satisfied (or where applicable, waived) on or before the Completion Date:

- (a) the Target Company being able to show and give a good title to the Property in accordance with sections 13 and 13A of the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong);
- (b) the Vendors having satisfied the Purchaser that the Target Company is the sole legal and beneficial owner of the Property free from any encumbrances (other than those which shall be released and discharged with effect from the Completion Date);
- (c) the Target Company receiving all relevant consents and approvals from third parties as may be necessary in connection with the proposed change in shareholding of the Target Company so as to ensure that the Target Company maintains all its existing material contractual and other rights following the transfer of the Sale Shares;
- (d) no material adverse change having occurred before or on the date on which Completion would otherwise have taken place if it were not for this Condition;
- (e) the Warranties remaining true, accurate and not misleading in all respects before and on the date on which Completion would otherwise have taken place if it were not for this Condition; and
- (f) approval having been obtained from the shareholders of Hanison in general meeting for, or written consents having been obtained from Great Wisdom Holdings Limited, HKRI and CCM Trust (Cayman) Limited as a closely allied group holding in aggregate more than 50% of the voting rights in the issued share capital of Hanison to approve, the Sale and Purchase Agreement, the transactions contemplated thereunder and the performance of the Purchaser's obligations thereunder as permitted under the Listing Rules.

Each of the Vendors shall use all reasonable endeavours (so far as it lies within his/its powers) to procure the satisfaction of the Conditions (a) to (e) above as soon as reasonably practicable and in any event before the Completion Date.

The Purchaser may, to such extent as it thinks fit and is legally entitled to do so, at any time waive in writing any of the Conditions (a) to (e) above on such terms as it may decide.

If any of the Conditions (which has not previously been waived by the Purchaser in accordance with the terms of the Sale and Purchase Agreement) has not been duly fulfilled on or before the Completion Date then the Purchaser may on that date, at its option (but without prejudice to any other right or remedy it may have), by notice to the Vendors:

- (a) waive the Conditions which have not been satisfied;
- (b) postpone the Completion Date to a date (being a business day) on or before 26 October 2015; or
- (c) terminate the Sale and Purchase Agreement.

### **Guarantee**

The Guarantor has agreed to guarantee the performance by Vendor B of its obligations under the Sale and Purchase Agreement and other documents referred to therein.

## Completion

Subject to fulfilment (or where applicable, waiver) of the Conditions, Completion shall take place on or before 22 October 2015 or such other date as the parties may agree in writing.

## Termination

Subject to the terms of the Sale and Purchase Agreement, if either the Purchaser or the Vendors elect(s) to terminate the Sale and Purchase Agreement in accordance with its terms, then all rights and obligations of the parties shall cease immediately upon termination subject to, among other things, the following:

- (a) if the Purchaser elects to terminate the Sale and Purchase Agreement in accordance with its terms for, among other reasons, the reason that (i) any of the Conditions has not been duly fulfilled on or before the Completion Date or (ii) the Purchaser considers that a Warranty has been breached, is untrue or misleading or that a Vendor has breached any other term of the Sale and Purchase Agreement that, in either case, is material to the sale of the Sale Shares, then all Deposits paid by the Purchaser shall be returned to the Purchaser without any interest or cost; and
- (b) if the Vendors elect to terminate the Sale and Purchase Agreement in accordance with its terms for the reason that the Purchaser is unable or unwilling to comply with its obligations in relation to Completion under the Sale and Purchase Agreement, then the Deposits shall be forfeited to the Vendors without any interest or cost as liquidated damages on the Completion Date.

## INFORMATION OF THE TARGET COMPANY AND THE PROPERTY

The Target Company is the sole legal and beneficial owner of the Property and its sole investment is the ownership of the Property. The Property is a 23-storey commercial building known as “Park Building” located at No. 476 Castle Peak Road, Cheung Sha Wan, Kowloon with an aggregate gross floor area of approximately 145,300 square feet. The Property is currently being leased out and the Target Company will be sold to the Purchaser subject to existing tenancies of the Property.

Set out below is the audited financial information of the Target Company for the years ended 31 December 2013 and 2014:

	For the year ended 31 December	
	2014	2013
	HK\$	HK\$
	(approximately)	(approximately)
Net profit/(loss) before taxation and extraordinary items	10,171,000	(12,523,000)
Net profit/(loss) after taxation and extraordinary items	9,542,000	(12,523,000)

The audited net asset value of the Target Company as at 31 December 2014 was approximately HK\$373,415,000.

Upon Completion, the Target Company will become an indirect wholly owned subsidiary of Hanison. Hanison has been treated as a non-wholly owned subsidiary of HKRI starting from 1 April 2013 as a result of the application of HKFRS 10. As a result, the Target Company will also be treated as an indirect non-wholly owned subsidiary of HKRI (as a result of the application of HKFRS 10). Accordingly, its financial results will be consolidated in the accounts of Hanison and HKRI.

## **INFORMATION OF HANISON**

Hanison is an investment holding company incorporated in the Cayman Islands, the securities of which are listed on the Stock Exchange. Hanison and its subsidiaries are principally engaged in construction, interior and renovation works, supply and installation of building materials, property investment, property development, provision of property agency and management services and sale of health products.

## **INFORMATION OF HKRI**

HKRI is an investment holding company incorporated in the Cayman Islands, the securities of which are listed on the Stock Exchange. HKRI and its subsidiaries (excluding Hanison and its subsidiaries) are principally engaged in property development, property investment, property management and related services, hospitality businesses and healthcare services. Hanison and the Purchaser are non-wholly owned subsidiaries of HKRI (each as a result of the application of HKFRS 10).

## **INFORMATION OF THE VENDORS**

### **Vendor A**

Mr Kong Tak Ho is a natural person and a shareholder of the Target Company.

### **Vendor B**

Lai Tak Holdings Limited is an investment holding company incorporated in the British Virgin Islands with limited liability and it is a shareholder of the Target Company.

## **INFORMATION OF THE PURCHASER**

The Purchaser is an investment holding company incorporated in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of Hanison and is treated as an indirect non-wholly owned subsidiary of HKRI (as a result of the application of HKFRS 10).

## **REASONS FOR AND BENEFITS DERIVED FROM THE ACQUISITION**

The directors of Hanison and HKRI undertake strategic reviews of its assets from time to time with a view to maximising returns to the shareholders of Hanison and HKRI. The directors of Hanison and HKRI consider that the Property is located at a very good location with proximity to mass transit railway stations and the Acquisition is a valuable investment opportunity for Hanison. Hanison will enjoy rental income derived from the Property. Accordingly, the directors of Hanison and HKRI believe that the Acquisition will enable Hanison to strengthen and enhance the investment property portfolio.

The respective boards of Hanison and HKRI consider that the Acquisition and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of Hanison, HKRI and their respective shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Hanison is a non-wholly owned subsidiary of HKRI and hence the Purchaser is an indirect non-wholly owned subsidiary of HKRI (each as a result of the application of HKFRS 10). Therefore, the Acquisition constitutes a notifiable transaction of Hanison as well as a notifiable transaction of HKRI under the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) for the Acquisition exceeds 5% but is less than 25% for HKRI, the Acquisition constitutes a discloseable transaction of HKRI and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

As certain applicable percentage ratios (as defined in the Listing Rules) for the Acquisition exceed 25% but all are less than 100% for Hanison, the Acquisition constitutes a major transaction of Hanison and is subject to the announcement, reporting and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Hanison has obtained written approval for the Acquisition in accordance with Rule 14.44 of the Listing Rules from a closely allied group of shareholders comprising Great Wisdom Holdings Limited, HKRI and CCM Trust (Cayman) Limited, which are beneficially interested in 127,767,230, 135,027,776 and 103,482,593 shares of Hanison respectively, representing approximately an aggregate of 67.56% of the entire issued capital of Hanison as at the date of this joint announcement. Great Wisdom Holdings Limited is a wholly-owned subsidiary of HKRI and HKRI is owned as to approximately 41.48% by CCM Trust (Cayman) Limited. Accordingly, Great Wisdom Holdings Limited, HKRI and CCM Trust (Cayman) Limited are a closely allied group of shareholders of Hanison.

To the best knowledge, information and belief of the directors of Hanison, after having made all reasonable enquiries, no shareholder of Hanison has any material interest in the Acquisition and is required to abstain from voting if Hanison were to convene an extraordinary general meeting for the approval of the Acquisition. As such, no extraordinary general meeting will be convened for the purpose of approving the Acquisition as permitted under Rule 14.44 of the Listing Rules.

No circular will be issued in relation to the MOU (which has been superseded by the Sale and Purchase Agreement) but a circular containing, among other things, further details of the Acquisition will be despatched to the shareholders of Hanison on or before 25 September 2015.

**Completion is subject to the fulfilment (or where applicable, waiver) of the Conditions and therefore the Acquisition may or may not proceed. As such, shareholders and potential investors of Hanison and HKRI are advised to exercise caution when dealing in the shares of Hanison and HKRI.**

## DEFINITIONS

In this joint announcement, unless the context requires otherwise, the following terms and expressions have the following meanings:

“Acquisition”	the acquisition of the Sale Shares and the Sale Loan by the Purchaser pursuant to the Sale and Purchase Agreement;
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement;
“Completion Accounts”	the audited statement of comprehensive income of the Target Company for the period from 31 December 2014 to the Completion Date and a statement of financial position of the Target Company as at the Completion Date;
“Completion Date”	the date of Completion, being 22 October 2015 or such other date as the parties may agree in writing on which the Completion takes place;
“Conditions”	the conditions precedent to Completion;
“connected persons”	has the meaning as ascribed to it under the Listing Rules;
“Deposits”	collectively, the Initial Deposit and the Further Deposit;
“Further Deposit”	the sum of HK\$49,800,000 paid by the Purchaser to the Purchaser’s solicitors as stakeholder upon the signing of the Sale and Purchase Agreement;
“Guarantor”	Mr Kong Tak Ho, being one of the Vendors;
“Hanison”	Hanison Construction Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the main board of the Stock Exchange (stock code: 00896). Hanison is treated as a non-wholly owned subsidiary of HKRI (as a result of the application of HKFRS 10) which holds approximately 48.47% interest therein;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HKFRS”	Hong Kong Financial Reporting Standards;
“HKRI”	HKR International Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the main board of the Stock Exchange (stock code: 00480);

“Initial Deposit”	the sum of HK\$50,000,000 paid by the Purchaser to the Purchaser’s solicitors as stakeholder on 24 July 2015;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“Management Accounts”	the unaudited statement of comprehensive income of the Target Company for the period from 31 December 2014 through until 30 June 2015 and the unaudited statement of financial position of the Target Company as at 30 June 2015;
“MOU”	the memorandum of understanding dated 24 July 2015 entered into among the Purchaser and the Vendors relating to the Acquisition;
“Net Current Asset Value”	the total current assets of the Target Company minus the total current liabilities of the Target Company (other than the Sale Loan) to be determined with reference to the Management Accounts or the Completion Accounts (as the case may be);
“Property”	all that piece or parcel of ground registered in the Land Registry as New Kowloon Inland Lot No.1761 together with the messuages, erections and buildings thereon (if any) now known as “Park Building”, No. 476 Castle Peak Road, Cheung Sha Wan, Kowloon;
“Purchase Price”	the consideration payable by the Purchaser to the Vendors for the Sale Shares and the Sale Loan under the Sale and Purchase Agreement;
“Purchaser”	Nimble Run Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of Hanison and indirect non-wholly owned subsidiary of HKRI (as a result of the application of HKFRS 10);
“Sale and Purchase Agreement”	the sale and purchase agreement dated 8 September 2015 entered into among the Purchaser and the Vendors relating to the Acquisition;
“Sale Loan”	the loan owing by the Target Company to Vendor B as at Completion;
“Sale Loan Consideration”	the consideration payable by the Purchaser to Vendor B for the benefit of the Sale Loan;
“Sale Shares”	such number of shares in the Target Company representing the entire issued and paid up share capital of the Target Company;

“Sale Shares Consideration”	the consideration payable by the Purchaser to the Vendors for the Sale Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Billion Mart Development Limited, a company incorporated in Hong Kong with limited liability and the sole legal and beneficial owner of the Property;
“Vendor A”	Mr Kong Tak Ho, a natural person;
“Vendor B”	Lai Tak Holdings Limited, a company incorporated in the British Virgin Islands with limited liability;
“Vendors”	Vendor A and Vendor B; and
“Warranties”	the representations, warranties and undertakings given by the Vendors under the Sale and Purchase Agreement.

By order of the board of directors of  
**Hanison Construction Holdings Limited**  
**Wong Sue Toa Stewart**  
*Managing Director*

By order of the board of directors of  
**HKR International Limited**  
**Cha Mou Zing Victor**  
*Deputy Chairman & Managing Director*

Hong Kong, 8 September 2015

*\* Registered under the predecessor ordinance of the Companies Ordinance, Chapter 622 of the laws of Hong Kong*

As at the date of this joint announcement, the board of directors of Hanison comprises:

***Non-executive Chairman***  
Mr Cha Mou Sing Payson

***Non-executive Directors***  
Mr Cha Mou Daid Johnson  
Dr Lam Chat Yu

***Executive Directors***  
Mr Wong Sue Toa Stewart (*Managing Director*)  
Mr Tai Sai Ho (*General Manager*)

***Independent Non-executive Directors***  
Mr Chan Pak Joe  
Dr Lau Tze Yiu Peter  
Dr Sun Tai Lun

As at the date of this joint announcement, the board of directors of HKRI comprises:

***Chairman***

Mr Cha Mou Sing Payson

***Deputy Chairman & Managing Director***

Mr Cha Mou Zing Victor

***Executive Directors***

Mr Chung Sam Tin Abraham

Mr Tang Moon Wah

***Non-executive Directors***

The Honourable Ronald Joseph Arculli

Mr Cha Mou Daid Johnson

Ms Wong Cha May Lung Madeline

***Independent Non-executive Directors***

Dr Cheng Kar Shun Henry

Mr Cheung Wing Lam Linus

Ms Ho Pak Ching Loretta

Mr Tang Kwai Chang